Committee on Resources-Index 12/18/09 3:42 PM

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Testimony

Before the Committee on Resources

United States House of Representatives

Hearing on H.R.4761, the Domestic Energy Production through Offshore Exploration and Equitable Treatment of State Holdings Act of 2006

June 14, 2006

Good morning Mr. Chairman. My name is Jeff Angers, and I am the Executive Director and CEO of the Coastal Conservation Association of Louisiana (CCA). I would like to thank the Chairman for this opportunity to address the Committee on issues near and dear to the hearts of our members and the citizens of Louisiana.

CCA Louisiana has some 35,000 members and volunteers statewide. Our membership has been active in promoting good stewardship of marine resources since we were founded in 1983. Before I address the use of oil and gas rigs as artificial reefs, I'd like to comment on our coast as a distinct place.

Coastal Louisiana is washing away, literally. H.R.4761 seeks to reverse that trend. Over the last 50 years, about 1,500 square miles of coastal Louisiana have washed away, and we continue to lose 25 square miles each year. Over 100 square miles lost in 2005. This deteriorating condition is insidious. It is like a cancer eating away at the very fabric of our country: our homes, our businesses, our coast.

In addition to the very obvious loss of real estate, we are also witnessing the destruction of the largest saltwater estuary in the country. The loss of these nursery grounds will affect fisheries for generations.

After the terrible storms of 2005, much of the focus has been on rebuilding coastal cities and towns. H.R.4761 brings the focus to rebuilding the coast.

The principal elements of this bill help to facilitate the recovery of one of Louisiana's most important resources, its coast and coastal habitat. Most of the fish species harvested in the Gulf of Mexico are estuarine dependant. And coastal habitat loss along the Gulf has a direct correlation to the health of fishery stocks. Louisiana is the Sportsman's Paradise because of the productivity of this habitat, which coexists with oil and gas industry. Improvement of habitat and reversing the degradation of our wetlands provides a multiplicity of benefits, one of which is better stewardship of these nursery grounds.

Louisiana 's coast welcomes the help.

As we all know, the Gulf of Mexico has successfully been the site of oil and gas extraction for the last 50 years. One of the unintended benefits of that extraction has been the creation of fisheries habitat, particularly for reef fish. The most well-known reef fish in the Gulf is red snapper, a prized recreational fish and the primary target species for a number of charter boat fishermen in the upper Gulf. The members of this committee are familiar with the ongoing efforts to restore and rebuild the red snapper fishery. What members may not realize is the importance of the habitat created by the offshore oil and gas industry to that rebuilding process.

Red snapper have been commercially harvested in the upper Gulf for over 100 years. As early as the

Committee on Resources-Index 12/18/09 3:42 PM

1880s, there were federal research efforts to find harvestable quantities of red snapper. Today the total allowable catch for red snapper is about 9 million pounds in a fishery that is rebuilding from being overfished by the directed fishery and particularly by extensive bycatch from the shrimp fishery.

After World War II, three events occurred which impacted red snapper. The first: a dramatic expansion of the shrimp fleet resulting in an incredible bycatch of snapper. Secondly, an influx of people to coastal communities, many of whom were – or were to become – anglers. Both of these events increased the mortality of red snapper. The third event (more of a journey) has helped increase the abundance of red snapper. The structures facilitating extraction of the oil and gas from the Gulf have created habitat. And better and more habitat has created more fish.

Many of the rigs now in place are nearing either the end of their useful life or the end of their license period. When they were put in place, most companies and regulators thought well heads ought to be capped; structures removed; cleaned up, and disposed of on shore. Section 21 of this bill includes another concept: "The Rigs to Reefs Act of 2005." And we are please to endorse it.

For a number of years, CCA has supported the use of oil and gas rigs as artificial reefs. CCA members continue to be beneficiaries of rigs converted to reefs much closer to shore.

Many scientists have studied the impact of this method of habitat enhancement to determine if it creates more fish or simply aggregates fish from surrounding habitat making them easier to catch. The debate for the most part seems to be endless, but the red snapper example seems to produce the most definitive long-term result. Yes, new habitat creates more fish. Sound fishery management is necessary to address the health of the entire stock, but more fish is still better than less. Artificial reefs are new habitat or continuing habitat, and we support their use inshore and off.

"The Rigs to Reef Act" will provide for new authority to expedite the removal of the decommissioned oil and gas platforms, provide for certainty as to the liability for operation of any platforms transferred and lastly allows for the opting out of Department of Interior regulations by any adjacent state for 25 miles from their coast. On the whole these measures will help facilitate the deployment of rigs to reefs.

Many of the provisions of the rigs to reef program will be improvements to the present system of decommissioning and citing of potential reefs. We would like to work with the Committee to ensure that the fishery management system now in place in the Gulf is included in determinations under this bill. The Louisiana Department of Wildlife and Fisheries, the Gulf States Marine Fishery Commission, the Gulf of Mexico Fisheries Management Council and the National Marine Fisheries Service all have responsibilities that will be impacted by the decisions made under this section. All of them have a positive role to play in the decisions made for citing of the decommissioned rigs and their permissible uses.

I would be remiss if I did not note that one of those potential uses is highly controversial. Mariculture has the potential in connection with the decommissioned rigs to be commercially successful. As of today, however there is no comprehensive legislation addressing the activity beyond the territorial sea. Almost all states have regulations, but they are hardly uniform. The Administration has proposed a bill, which was introduced in the Senate, but no corresponding bill exists in the House. CCA would discourage the implementation of guidelines for the placement of decommissioned rigs, which would in effect authorize mariculture activities without corresponding environmental controls. We would be happy to work with the Committee on such a provision to address our concerns.

In addition, we would like to gain a greater understanding of the effect of the election by an adjacent State to implement their own regulations for decommissioning and citing rather than the Department of Interior regulations. Would state regulations enhance the authority of any related activity within 25 miles of the coast or is the authority narrowly confined. If so, how? We would be happy to work with the Committee to form a better understanding of this section as well.

Mr. Chairman, that concludes my testimony, and I would be happy to take questions.